

Reporting period: Quarter 3, 2011-12

Corporate priority: Waste Strategy

Background: With the combination of its current Integrated Waste Management contract coming to an end in just four years, the associated facilities being in need of investment and the existing landfill site nearing its capacity, the council is at a stage where it needs to review and evaluate the options and technologies associated with waste management in order to meet its aspiration to become a leader in municipal waste management, while meeting the need to reduce residual waste landfill to a minimum. The development of a long term waste strategy has now begun, which will seek to inform the objectives and options available for the next waste management contract and the need to respond to changes in the market place, legislation and public attitude.

See the [Isle of Wight Council Corporate Plan 2011-2013](#) for full details regarding the council's commitment to the waste strategy.

Actions carried forward

1. There are no actions to carry forward.

Summary

Status: GREEN

Waste Strategy: The Waste Strategy project milestones are being delivered on schedule. Some revision of project plans have been made in response to changing circumstances but there are no concerns that key milestone dates will be negatively affected. The quarter three report offers a detailed update on all aspects of the project.

Risk: The project risks are being well managed with suitable mitigating actions in place for all risks considered high (red), regularly discussed at Project Board.

Finance: The council's Medium Term Financial Plan identifies £1m for the Waste project in 2012/13. This allocation will support the development of the Outline Business Case (OBC), and the appointment of legal, technical and financial advisors through to the completion of the Invitation to Submit Outline Solutions (ISOS) stage of procurement.

Operational performance: The operation of the gasification facility has been more consistent this quarter leading to the achievement of targets for biodegradable waste and a positive forecast for the end of year position. The new collection service recently introduced will reduce the council's dependency on this plant to divert waste away from landfill. Performance of other waste measures has been mixed with the forecast end of year figures worse than expected at quarter two.

[Link to quarter three data report](#)

Project Milestone Update	Programmed date	Actual Date
Waste Strategy		
Mass Flow Model sign off	Jul 2011	Jul 2011
High Level review sign off	Aug 2011	Aug 2011
Final Options Appraisal Report	Oct 2011	Oct 2011
Final Procurement Strategy Report	Oct 2011	Oct 2011
Final Commercial Waste Options Report	Oct 2011	Oct 2011
Final Draft Municipal Waste Strategy	Dec 2011	Nov 2011
Draft Strategy to Cabinet	Feb/March 2012	
Full Public Consultation	Oct/Nov 2012	
Final Strategy to Cabinet	Jan 2013	

Project Milestone Update	Programmed date	Actual Date
Landfill Application		
Design Freeze	May 2012	
Draft Application Consultation	Jun 2012	
Final Environmental Impact Assessment (EIA) Statement	Jul 2012	
Final Draft Planning Application to Isle of Wight Council	Aug 2012	
Submit Planning Application	Aug 2012	
Procurement (may be subject to change as procurement phase is finalised)		
Official Journal of the European Community Notice published	March 2012	
Outline Business Case	May 2012	
Cabinet Approval for Procurement	May/June 2012	
Pre-Qualification Questionnaire (PQQ)	Aug 2012	
Invitation to Submit Outline Solutions (ISOS)	Dec 2012	
Invitation to Submit Detailed Solutions (ISDS)	Oct 2013	
Invitation to Submit Refined Solutions (ISRS)	March 2014	
Call for Final Tender	June 2014	
Appointment of contractor	Oct/Nov 2014	
Contract mobilisation	Nov 2015	

Milestone commentary

WASTE STRATEGY

The Draft Municipal Waste Strategy has been completed ahead of schedule. This document draws from National and Local waste policies and includes the development of several key reports (detailed below) that will support the procurement process. It recommends the long term strategy and targets for municipal waste following the end of the existing Integrated Waste Contract with Island Waste Services and will be reviewed every five years following approval of the final document. Additionally, the Draft Municipal Waste Strategy recommends the contract procurement route.

This important strategic document will be presented to all Members and the Overview and Scrutiny Panel in February 2012, prior to being submitted to Cabinet for approval to be published as draft.

The Draft Strategy will remain as Draft until the Invitation to Submit Outline Solutions (ISOS) stage of procurement, at which time the Waste Project team will update the Draft Municipal Waste Strategy to reflect the deliverable outputs on offer. This is likely to occur in Quarter 3 2012/2013, at which time we are likely to engage in a full public consultation. This will ensure that the public opinion is fully considered in the decision making process, before the long term strategy is finalised.

The following supporting reports have been completed in quarter three:

Options Appraisal

Projections of waste tonnages are needed to establish how much waste we will need to collect and manage in the future. This is difficult as waste growth has varied so much in recent years. An approach has been taken that acknowledges that when more houses are built, more waste will be produced. The projections have also taken into account waste minimisation that will reduce the amount of waste each individual household will produce.

To be able to let a new contract for waste, the authority first had to develop an understanding of the types of collection and treatment options available. These are assessed in conjunction with the predicted amount of waste the Island is likely to produce. This creates a shadow case of potential options and costs that the authority can evaluate tenderers against.

To decide the top performing options for collecting and treating waste on the Island a wide range of options have been considered. These options were assessed in a two stage process. Each option was first assessed against a number of criteria, these include:

Milestone commentary

- Environmental impact;
- Approximate cost;
- Public acceptability; and
- Landfill diversion

Each criterion was given a relative importance and was then evaluated by independent consultants working with authority staff. In the second stage of the assessment these options were modelled in detail using the waste projections. The second stage was used to refine the indicative costs and environmental impacts of each option. These options are not prescriptive for the new contract. They form a shadow case to compare bids against. New technologies and innovation will be considered through the contract letting process.

Commercial Waste Options Study

Commercial and industrial waste produced on the Island has, in the past, been sent to landfill. To examine the reasons for this and to decide how much the authority should involve itself with the collection of commercial and industrial waste, a separate analysis was carried out. The work found that there is currently not enough capacity on the Island to recycle or treat this type of waste and most is sent to landfill.

Recommendations of the study were that the authority should consider:

- providing treatment capacity for both commercial and industrial waste and municipal solid waste
- The procurement of a collection service to allow collection of commercial and industrial waste in the same vehicles as household waste

Procurement Strategy

The authority has a duty to demonstrate that it has acted in accordance with the EU Treaty principles of fairness, transparency, non-discrimination and proportionality in its procurement and to comply with the 2006 Regulations which impose procedural requirements in relation to contracts over a prescribed financial threshold. A procurement strategy has been developed to investigate the options for procuring a new municipal waste contract. Through the procurement the council is seeking a sustainable waste management approach for the Island, which:

- Meets the needs of the Island in an environmentally friendly and cost effective way;
- Provides residents with value for money;
- Is consistent with regional, national and European waste targets for waste minimisation, recycling and composting; and
- Recovers value from residual waste that cannot be recycled or composted

The procurement will cover all aspects of municipal waste management including:

- Collection of kerbside recyclables and bring-bank recyclables;
- Collection of kerbside residual waste;
- Collection of kerbside food waste;
- Collection of kerbside green waste (chargeable opt in service);
- Processing/ bulking of recyclables for onwards processing;
- Treatment/ bulking of separated food and green waste;
- Management of Household Waste Recycling Centres;
- Residual waste treatment; and
- Residual waste disposal

The procurement strategy has identified key issues that will be faced by the council, such as how to package the waste contract and how long the contract length should be for.

For example, due to the current condition of our existing waste infrastructure it is recognised that a significant investment in on-Island facilities may be required if the council is to continue treating Island waste as close to source as possible. This would require significant upfront investment that would be more appropriately paid back over a 25-30 year contract. Alternatively, a shorter length contract to collect and transport all waste to the mainland would create a saving in infrastructure but would open significant risk if there were a transport failure and would require the procurement letting process to occur again in the short term. The available options will be modelled from a financial, economical and environmental perspective to form a recommendation in an Outline Business Case (OBC), to be presented to the Cabinet in May 2012.

Milestone commentary

The recommended approach that most closely aligns with council priorities, waste policy and the eco-island strategy is to procure an integrated waste contract with all services awarded to a single bidder. It is envisioned that the “competitive dialogue” process will be used for the procurement. This approach would allow discussion between the authority and bidders to take place at each stage of the process. The best bids would be progressively developed so that they offer the best solution and value for money for the Island. Strict procurement rules mean that the details of each bid must remain confidential while the procurement process is ongoing. This will be further developed through the Outline Business Case to enable a robust decision to be made by Cabinet as to the chosen procurement route.

Stakeholder Management

A Stakeholder Management strategy has now been developed. All stakeholder communications are being delivered collaboratively with the current Waste Contract Management Team to ensure a joined up approach.

The following activities are planned in the next few months:

- Ongoing face to face meetings with residents living adjacent to the landfill extension site
- Members information seminar held on 20 February 2012
- Press advertorials in the Isle of Wight County Press, The Beacon and One Island Magazine outlining the changes to current collections and introducing the future Waste Strategy
- Web pages and Frequently Asked Questions available at www.iwight.com/waste

LANDFILL APPLICATION

The planning for future landfill provision is continuing as scheduled in the project programme.

An analysis of landfill void surveys has revealed a significant change in the consumption rate of void space since the 2009 Waste Needs Assessment was conducted. Over the past three years the rate of consumption has reduced from an average of 10,000m³ per month to 5,000m³ per month. There are several contributing factors to this:

- Island Waste Services have seen a change in the waste streams going to landfill, significantly there is almost no rubble, soil or non-domestic inert waste
- There has also been a reduction in the volume of waste produced nationally since the recession
- Changes in pre-treatment regulations have also attributed to a general reduction of waste
- Private waste companies have increased their market share of commercial and industrial (C&I) and construction and demolition (C&D) waste collection, recycling, treatment and disposal.

The reduction in consumption could result in extending the life of the current landfill by up to 10 years. However, this extended lifetime may be significantly reduced if the gasifier was to fail, or the private sector involvement reduces over time.

The delivery of a new landfill site will require significant environmental mitigation measures to be implemented. The added lead time afforded by the additional landfill capacity at Standen Heath will ensure the planning application for the future landfill can be as robust as possible.

Ecology surveys

All baseline ecology survey work has been completed and the final Draft Baseline Ecology Report was submitted to the council on the 15 December 2010. The survey and evaluation undertaken as part of this report has highlighted a probable need for a number of ecological mitigation requirements to offset the potential effects of the development.

There will be a need for detailed arrangements to move reptiles, dormice, red squirrels and invertebrates to suitably developed sites prior to the commencement of construction activity.

Significantly, a new colony of Juvenile Bechstiens Bats has established between Briddlesford Copse and the Lavender Farm. To fully satisfy Natural England requirements for environmental permitting further survey work will be required next May to establish the significance of the site as a feeding area for this colony.

Performance commentary

Recycling

The ‘percentage of household waste sent for reuse, recycling and composting’ remains below target for the quarter with 28.37% reused, recycled or composted compared with a target of 30%. December’s figure is slightly lower than October and November’s figures (29% and 29.1%) which can be directly attributed to lower tonnages of green waste being composted at the household waste recycling centres.

Performance commentary

From 30 January 2012 the new waste collection arrangements will come into operation with an increased level of items available for recycling. During February and March 2012 the tonnage of materials collected is expected to increase, however it is anticipated that the end of year target will be missed by 10%.

Landfill

The gasification plant was operational for 75% of the time during October, the whole of November and was running for the majority of December. The plant had an unplanned shutdown on 30 December 2011 at which time it was utilising waste "imported" from the mainland as the local waste stockpile had been fully utilised. The fuel sent to landfill during quarter three was used for engineering work and was therefore landfill tax exempt.

December's figures for municipal waste sent to landfill are showing good performance, however it is anticipated that the end of year target will be missed. The gasification plant stopped working during the first week of January which resulted in approximately two weeks worth of waste (collected following the Christmas period) being sent to landfill. This is likely to result in the end of year target being missed.

'Tonnes of biodegradable waste sent to landfill' is performing well with only 17,377 tonnes of waste sent to landfill during December compared to a target of 20,241 tonnes. It is anticipated that the end of year target will be met. The target figure detailed for this performance measure is due to be updated. For 2011/12 the annual Landfill Allowance Trading Scheme (LATS) target has been reduced to 23,468 tonnes, which is 1,955 tonnes per month. This compares to current year to date performance of an average of 1,931 tonnes per month.